Study on Potential for Tobacco Exports

715. SHRI V. HANUMANTHA RAO: Will the Minister of COMMERCE be pleased to state:

(a) whether Tobacco Board has made any study on the potential for tobacco exports from India:

(b) whether it is a fact that good scope exists for tobacco exports, if the quality is improved; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) The Tobacco Board closely moniters the potential for tobacco exports from India.

(b) and (c) As a result of uncertainties in same of our major markets, the global oversupply situation, and the anti smoking campaign the world over, the tobacco export sector is presently under strain. Hence, improving the quality is one of the requirements to compete in the world market.

Use of Black Cotton Soil for Tobacco Cultivation

716. SHRI V. HANUMANTHA RAO: Will the Minister of COMMERCE be pleased to state:

(a) whether the Tobacco Board has made any study of the extent of black cotton soil being used for tobacco cultivation in West and East Godavari; districts;

(b) if so, the details thereof; and

(c) whether any assistance has been extended by Tobacco Board to these districts for tobacco cultivation?

THE MINISTER OF STATE IN THE MINISTRY CIVIL SUPPLIES, CONSUMER AFFAIRS & PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) Yes, Sir.

(b) The extent of FCV tobacco grown in black soil during 1993-94 season is given below:—

District	Area Grown (Hec.)
East Godavari	2759
West Godavari	1224

(c) Yes, Sir. The Tobacco Board arranged supply of coal for curing, tied up crop loans from Banks, and extended assistance in the form of subsidy under various extension and development schemes.

Amendment in VABAL Scheme

717. SHRI B.K. HARIPRASAD: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that (as reported in Economic Times of 11th February, 1994) recent amendment to value based Advanced Licencing Scheme (VABAL) have caused more confusion within the industry circle due to wrong interpretation of amendments;

(b) if so, whether it is a fact that these amendements have, more than checking abuse of VABAL by unscrupulous operators, emboldened the indigenous manfacturers of plastic raw materials to take undue advantage of the situation; and

(c) whether there is any proposal under Government's consideration to modity the inherent imbalances in the VABAL Scheme, on the experience of past abuse, rather than scrapping the scheme gradually through a series of amendments?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) and (b) No Sir. The amendments recently made in Value based Advance Licensing Scheme are transparent. These have been made to avoid unintended imports.

(c) An Inter-Ministerial Committee has been set up to examine and evaluate all aspects of the value based Advance Licensing Scheme and recommend the final shape of the Scheme which would be incorporated in the revised EXIM Policy effective from 1.4.1994.

Steps to Prevent Loss of Foreign Tobacco Markets

718. SHRI V. HANUMANTHA RAO: Will the Minister of COMMERCE be pleased to state:

(a) what steps are being taken by Government to ensure that the traditional markets for Indian tobacco abroad are not lost alongwith full details thereof;

(b) whether any special emphasis is being laid on C.I.S. States; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS & PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) Steps taken to retain the traditional markets for Indian tobacco include:

- — Sending trade delegations to these countries.
- — Participation in International Exhibitions.
- — Aggressive publicity.
- — Pursuing with Governments through Joint Committee meeting etc to import Indian tobacco and tobacco products.

(b) and (c) C.I.S. Republics being the major market for Indian tobacco the following steps are taken to promote export of tobacco and products in these countries:

1. Assisting exporters to

(i) take up aggressive marketing in CIS markets.
(ii) Set up export promotion offices in CIS Republics.
(iii) Establish warehouses in CIS republics for stock and sale of tobacco and cigarettes.
(iv) Explore possiblities to export tobacco to CIS Republics against barter/counter-trade.
(v) Establish Joint ventures in CIS Republics for cigarettes production which would help export of Indian tobacco to these Republics.

2. Joint participation with exporters by Tobacco Board in the World Tobacco Trade Fair help in Moscow.

3. Sending trade delegations to CIS Republics.

Import of Low Grade Tea by Hindustan Lever

719. SHRI N.E. BALARAM:
SHRI N. GIRI PRASAD:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that Hindustan Lever has been insiting on the import of tea of low-grade for re-export after blending it with the Indian product; and

(b) if so, the details and Government's reaction to their proposal?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKERJEE): (a) a proposal has been received from M/s Lipton India Ltd. for setting up of an Export Oriented Unit in Uttar Pradesh for the manufacture of instant tea. The proposal inter-alia involves import of tea waste which is one of the raw-materials for manufacture of instant tea. The company have also proposed to market 25% of their produce from this unit in the domestice market.